

Message Text

UNCLASSIFIED

PAGE 01 OTTAWA 01215 022340Z

ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 DOTE-00 OMB-01 TRSE-00 SP-02 L-03

SS-15 NSC-05 CIAE-00 INR-07 NSAE-00 /054 W

-----030540 121906 /14

R 022329Z MAR 77

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 2639

INFO AMCONSUL MONTREAL

ALL OTHER CANADIAN CONSULS (BY POUCH)

UNCLAS OTTAWA 1215

E.O. 11652:N/A

TAGS: EWWT, CA

SUBJECT: ST. LAWRENCE SEAWAY--FINANCIAL REORGANIZATION

REF; OTTAWA 628

1. TRANSPORT MINISTER OTTO LANG ANNOUNCED AT MARCH 2 PRESS CONFERENCE PLANS FOR LONG-AWAITED FINANCIAL REORGANIZATION OF ST. LAWRENCE SEAWAY AUTHORITY. AS FORESHADOWED IN OUR EARLIER CONVERSATIONS WITH NORMANDEAU (OTTAWA 4520, NOV. 12, 1976), REORGANIZATION INVOLVES CONVERSION OF \$625 MILLION CONSTRUCTION DEBT INTO EQUITY, FORGIVENESS OF \$217 MILLION IN ACCUMULATED INTEREST CHARGES, AND EVENTUAL PROVISION FOR AUTHORITY TO PAY AN ANNUAL RETURN TO GOC ON ITS EQUITY INVESTMENT-- AT INITIAL RATE OF ONE PERCENT. LANG NOTED THAT IN RETURN FOR REORGANIZATION GOC HAD DIRECTED AUTHORITY TO SET TOLLS AT LEVEL SUFFICIENT TO COVER ALL OPERATING AND MAINTENANCE COSTS PLUS THIS RETURN ON INVESTMENT. LANG STATEMENT REFERRED TO PLANS FOR 110 PERCENT REVENUE INCREASE AND INDICATED THIS WOULD BE FAVORABLE TO SEAWAY USERS WHO WOULD NOT HAVE TO PLAN ON EVENTUAL REPAYMENT OF SEAWAY DEBT WHICH WOULD REQUIRE A 500 PERCENT

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 OTTAWA 01215 022340Z

INCREASE IN TOLLS. STATEMENT NOTED THAT US AND CANADIAN OFFICIALS "HAVE BEEN CONDUCTING NEGOTIATIONS FOR SOME TIME" TO REVIEW TOLLS "THAT WOULD ACHIEVE THE GOC OBJECTIVES."

2. PRESS QUESTIONING OF LANG WAS DESULTORY. HE EMPHASIZED CONTINUING NATURE OF NEGOTIATIONS WITH US, DID NOT SPECULATE ON POSSIBLE REPUDIATION OF AGREEMENT

BY GOC, AND DISMISSED AS INSIGNIFICANT THREATS OF
RETALIATION AGAINST CANADA FROM POLITICAL ELEMENTS OF
GREAT LAKES STATES.

3. COPIES OF LANG STATEMENT AND BACKGROUND MATERIAL
BEING FORWARDED TO EUR/CAN (BLAKEMORE) AND SLSDC
(OBERLIN). ENDERS

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCE, FEES, REORGANIZATIONS, PRESS CONFERENCES
Control Number: n/a
Copy: SINGLE
Sent Date: 02-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977OTTAWA01215
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770072-0971
Format: TEL
From: OTTAWA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t197703101/aaaadlez.tel
Line Count: 68
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: cc4088ac-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 OTTAWA 628
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 07-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2939939
Secure: OPEN
Status: NATIVE
Subject: ST. LAWRENCE SEAWAY--FINANCIAL REORGANIZATION
TAGS: EWWT, CA, ST LAWRENCE SEAWAY AUTHORITY
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/cc4088ac-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009